



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO
N09BD770502401

24 SEP 1997

MEMORANDUM FOR DISTRIBUTION

Subj: NEW COMPENSATORY TIME POLICY

Ref: (a) ASN(FM&C) ltr 7420 Ser FMO-234 of 25 Jul 97

1. The Defense Finance and Accounting Service (DFAS) has announced a new Department of Defense (DoD) compensatory time policy effective 8 June 1997. The new policy standardizes the accumulation and use of compensatory time for all eligible employees. This includes those Federal Wage System employees covered under Section 1610 of Public Law 104-201, the National Defense Authorization Act of Fiscal Year 1997.
2. Effective immediately, all compensatory time earned on or after 8 June 1997, must be used by the end of the 26th pay period or it will be paid at the overtime rate at which it was earned. There will no longer be any limitation on the number of hours of compensatory time an employee may accumulate. Effective February 1998, when a DoD employee separates or transfers to another Department or Defense Agency (i.e., from Army to Navy or from Navy to the Defense Logistics Agency), unused compensatory time balances shall be paid at the overtime rate at which it was earned.
3. Beginning 7 June 1998, two compensatory time accounts will be established. Compensatory hours earned prior to 8 June 1997 and not used prior to 7 June 1998, will be placed in a grandfathered compensatory account. Compensatory time earned on or after 7 June 1998, will be maintained in a separate current account. Grandfathered compensatory time will only be charged for use when employee has insufficient current compensatory time to cover the compensatory time off requested.

Subj: NEW COMPENSATORY TIME POLICY

4. Supervisors are reminded that compensatory time and overtime worked must be scheduled and approved in writing in advance. When an emergency situation prevents prior approval, written approval must be obtained the next day. Division Directors or higher officials are delegated authority to approve compensatory time/overtime work. NAVCOMPT Form 2282 should be used for this purpose. Overtime/compensatory time should be limited to those cases in which the mission clearly requires the commitment of personnel and funds. Annual leave is not used during a pay period when overtime or compensatory time is credited. Additionally, annual leave is not used when a compensatory time account balance is available.

5. Compensatory time worked in a pay period may be credited to an employee whose basic rate is less than the maximum rate of GS-15 only to the extent that the monetary value of the compensatory time worked does not cause the total rate of pay for that pay period to exceed the maximum applicable rate for GS-15. Senior Executive Service members are not entitled to premium pay, including overtime and/or compensatory time, under any circumstances.

6. With overtime costs continuing to be of concern for the OPNAV staff and upcoming compensatory time to be paid off if not used by the expiration of 26 pay periods, supervisors should carefully review all timecards to ensure any overtime or compensatory time, earned and taken is appropriately recorded and documented. The Civilian Personnel and SES Policy Office (N09BX) is available to answer any questions you may have regarding overtime and compensatory time for civilian employees on ~~695-8784~~. ^{PN32}

602-5025/5028/5027



A. N. LANGSTON

Rear Admiral, USN

Director, Navy Staff

Distribution:

OPNAV Principal Officials
OPNAV Timekeepers
OPNAV Staff

* Change 4/27/02
Biweekly pay cap
\$4,661.



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

Ser 09BD/OU502403
29 MAR 1990

MEMORANDUM FOR OPNAV PRINCIPAL OFFICIALS

Subj: OVERTIME/COMPENSATORY TIME

1. Overtime costs continue to be of concern. Therefore, the following information concerning overtime is provided for information and distribution within your organization.

2. Authorized extra duty performed in excess of eight hours in a day or 40 hours in a workweek will result in overtime pay or compensatory time. Overtime should be limited to those cases in which the mission clearly requires the commitment of personnel and funds. Overtime should be scheduled and approved in writing in advance. When an emergency situation prevents prior approval, written approval should be obtained the next day. Division Directors and higher authorities are delegated authority to approve overtime work. NAVCOMPT Form 2282 should be used for this purpose. Overtime pay is made in accordance with the provisions of Title 5 of the U.S. Code and the Fair Labor Standards Act (FLSA). Under the FLSA, all employees are classified as "exempt" or "non-exempt" from the provisions of the act. The position description cover sheet reflects an employee's status.

3. Exempt employees, generally those in GS-9 and above professional positions, are covered only by the provisions of Title 5 of the U.S. Code. In most cases, exempt employees are required to take compensatory time in lieu of overtime pay. If, however, they earn 80 hours of compensatory time, additional time worked will be compensated at appropriate overtime rates. Compensation during a bi-weekly period cannot exceed the rate of basic pay for a GS-15.

4. Non-exempt employees, generally those in clerical and technician positions, are covered by the FLSA and Title 5. Under FLSA, if a non-exempt employee works in excess of 40 hours in a workweek and the work was "suffered and permitted" to be performed, rather than ordered, the employee is entitled to overtime pay. If management sees work being performed, the employee is entitled to overtime pay, even if the work has not been ordered and approved. There is no maximum amount that can be earned under FLSA. If a non-exempt employee desires compensatory time he/she must request it, otherwise pay is required. The Navy Regional Finance Center will compute the overtime pay.

5. Supervisors should carefully review all timecards to ensure:

a. All overtime/compensatory time earned/taken is appropriately recorded on the timecards.


*Pls note
If 80 hrs con
time will be
overtime
automatic
kicks in.*

Subj: OVERTIME/COMPENSATORY TIME

b. Annual leave is not used during a pay period when over-time or compensatory time is credited.

c. Compensatory time is taken within a reasonable period of time after earned, normally within four pay periods.

d. Annual leave is not used when a compensatory balance of 80 hours is available.

VR


R. C. Jones
Assistant Vice Chief of Naval Operations

OPNAVINST 5000.48C
4 Aug 94

304 HOURS OF DUTY AND OVERTIME (N09BD)

Ref: (a) Federal Personnel Manual (FPM), Chapter 550
(b) FPM 551
(c) FPM 610
(d) FPM 630
(e) Civilian Personnel Instruction (CPI 610)
(f) NRECWASHINST 7410.3B (NOTAL)

This article sets forth the policies and procedures to be followed in determining hours of work and authorizing pay for OPNAV civilian employees following references (a) through (f).

304.1 Definitions

a. Administrative workweek means a period of 7 consecutive calendar days. In OPNAV, the administrative workweek is Sunday through Saturday and is used for computing leave and pay.

b. Basic workweek is the period for which an employee is paid straight-time pay. For full-time employees paid on an annual basis, the basic workweek is 40 hours spread over not more than 6 days of the administrative workweek, unless the employee is working on an approved compressed work schedule. For employees in wage systems, the basic workweek is 40 hours and the basic workday is 8 hours.

c. Compressed Work Schedule (CWS)

(1) CWS is an 80-hour biweekly period compressed into 9 days. The biweekly work period will consist of 8 9 1/2 hour days, 1 8 1/2 hour day (both including a 30 minute lunch break) and 1 "day off" to complete the basic work requirement of 80 hours for a biweekly pay period. The 8 1/2 hour day will be scheduled on the same day as the "day off" in the alternate week. A sample time card (DAO-ARL 0007) is provided at Tab A.

(2) An employee may elect to participate in the CWS provided that his or her participation does not interfere with the employee's performance of officially assigned duties.

(3) Supervisors retain the right to set up or change any work schedule to avoid adverse impact on daily operations. Exclusion from CWS is not grievable. Questions concerning CWS may be addressed to N09BD.

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d. Premium pay is additional pay for overtime, night, holiday, or Sunday work. Premium pay for wage system employees is not discussed in this article. Reference (f) provides additional information on premium pay for wage system employees.

e. Certifying official is a supervisor or an individual operating in a supervisory capacity who signs the time card to certify its accuracy.

f. Timekeeper is the person engaged in the maintenance of time cards.

304.2 Policy. It is OPNAV policy that the following rules be observed:

a. Employees will be given advance notice of changes in tours of duty in order that they may make advance plans for the use of their non-work time.

b. The occurrence of a holiday will not affect the designation of the basic workweek.

c. Overtime and compensatory time work will be avoided whenever possible.

304.3 Establishment of Work Hours

a. General Information. The workweek for OPNAV civilians is Monday through Friday, 0800 to 1630, unless covered under CWS. Some offices may have other schedules to provide adequate services to the activity. Employees should be notified of changes in writing. In general, the basic workweek will be scheduled on 5 days and the 2 days outside the basic workweek will be consecutive.

b. Lunch Period. A lunch period is non-work time for which compensation is not paid. The 8-hour workday is extended by the length of the lunch period. The OPNAV workday is 8 1/2 hours; the lunch period is 30 minutes.

c. Leave Usage. Annual and sick leave may be taken in no less than 30 minute increments.

304.4 Changing Work Weeks

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a. Requirements. The days and hours of an employee's basic workweek shall not be changed; except in rare cases, without notice to the employee at least 3 calendar days before the first administrative workweek affected by the change. Generally, an employee's basic workweek shall not be changed for a period of less than 3 consecutive weeks. Employees should be notified of changes in writing.

b. Approval Authority. Division Directors and higher authorities are authorized to make changes in work hours.

304.5 Overtime

Changed 9/24/97

a. Overtime pay is made under the provisions of Title 5 of the U.S. Code and the Fair Labor Standards Act (FLSA). Under the FLSA provisions, all employees are declared either "exempt" or "non-exempt" (from the provisions of the Act). This determination is made by the Secretariat/Headquarters Human Resources Office (S/HHRO) with guidelines established by the Office of Personnel Management (OPM). The determination depends on the nature of the work performed and, for executive, administrative, and professional employees, the level of responsibility and independence of action. Payment for overtime work for exempt and non-exempt employees is described below.

b. Overtime should be limited to those cases in which the mission clearly requires the commitment of personnel and funds. Overtime is normally performed where the employee is assigned.

c. Exempt Employees. These individuals are covered only by the provisions of Title 5 of the U.S. Code. They are paid overtime or receive compensatory time off as follows:

(1) Overtime

(a) Overtime is authorized extra duty performed in excess of 8 hours in a day or 40 hours in an administrative workweek, unless on CWS. For a period of leave without pay in an employee's daily tour of duty or basic workweek, an equal period of overtime performed will be paid for at the rate of his/her regular tour of duty before any remaining work hours may be paid at the overtime rate.

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(b) Overtime pay may be granted only for work which is ordered and approved. Employees will be directed to work overtime by supervisory personnel after approval of overtime. Division Directors and higher authorities are delegated authority to approve overtime work. Approval authority must be one level above the individual ordering the use of overtime or compensatory time. It is also required that authorization be in writing in advance of the performance of the work, except when the exigency of the situation prevents prior approval in which instance, written approval will be accomplished not later than the first normal workday after the work.

(c) The overtime rate of pay is as follows:

1. For each exempt employee whose pay rate does not exceed the minimum rate for GS-10, the overtime rate is one and one-half times his/her hourly rate of basic pay.

2. For each employee whose basic pay rate exceeds the minimum rate for GS-10, the overtime rate is one and one-half times the hourly rate of basic pay at the minimum rate of a GS-10.

3. Compensation during a pay period cannot, regardless of the rate at which it is computed, exceed the rate of basic pay for the highest payable rate for GS-15. * *Chged 4/27/00*

(d) Overtime is compensated in one-tenth hour (6 minutes) increments. An employee must be paid at the overtime rate for all overtime worked and should be assigned overtime work in increments of one-tenth hour. *Pay Cap. Exceeds Basic to \$4.00*

(2) Compensatory Time is approved additional work time for which no pay is received. * *Chged 9/24/97*

(a) An employee whose rate of basic pay does not exceed the maximum rate of a GS-10 may choose between overtime pay and compensatory time off for irregular or occasional overtime work they are required to perform, up to a maximum accrual of 80 hours compensatory time. This election must be shown on the NAVCOMPT 2282. If the maximum compensatory accrual has been reached, the employee will automatically be paid overtime. An employee whose rate of basic pay is in excess of the maximum rate for GS-10 is required to take compensatory time in lieu of overtime pay until the 80 hour accrual has been

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reached. Additional time worked will then be compensated at appropriate overtime rates.

(b) Compensatory time should be taken within a reasonable period of time after the overtime work is performed, normally within four pay periods. All such time must be taken during the basic 40-hour workweek.

(c) Except for compensatory time earned during the last 30 days of the leave year, the only compensatory time that may be carried over into the following leave year is the time that the employee was not allowed to take. Such denial must be shown on an SF 71, Application for Leave, submitted and disapproved prior to the third biweekly pay period before the end of the leave year. The maximum amount of compensatory time that may be carried over is 80 hours. * *Charged 9/24/97*

(d) Normally, compensatory time off will be granted before annual leave is used.

d. Non-Exempt Employees. Non-exempt employees are entitled to overtime and compensatory time off as provided below:

(1) Circumstances under which overtime pay entitlement is earned

(a) Under Title 5 only. A non-exempt employee who is not on an approved CWS schedule and who works over 8 hours in a day but not over 40 hours in a week under ordered and approved overtime is entitled to overtime pay under Title 5 only.

(b) Under FLSA only. If an employee who is not on CWS works in excess of 40 hours in a workweek and the work was "suffered and permitted" to be performed, rather than ordered, the employee is entitled to overtime pay solely under FLSA. This means that if an employee stays an hour after the end of the workday on Friday and management sees work being performed, the employee is entitled to overtime pay, even if there was nothing urgent to be done. Management should ensure, therefore, that non-exempt employees work extra hours only if the work has been ordered and approved. An employee who is not compensated for work that management "suffered and permitted" to be performed may seek relief from the courts.

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reached. Additional time worked will then be compensated at appropriate overtime rates.

(b) Compensatory time should be taken within a reasonable period of time after the overtime work is performed, normally within four pay periods. All such time must be taken during the basic 40-hour workweek.

(c) Except for compensatory time earned during the last 30 days of the leave year, the only compensatory time that may be carried over into the following leave year is the time that the employee was not allowed to take. Such denial must be shown on an SF 71, Application for Leave, submitted and disapproved prior to the third biweekly pay period before the end of the leave year. The maximum amount of compensatory time that may be carried over is 80 hours. *Chapel 9/24/97

(d) Normally, compensatory time off will be granted before annual leave is used.

d. Non-Exempt Employees. Non-exempt employees are entitled to overtime and compensatory time off as provided below:

(1) Circumstances under which overtime pay entitlement is earned

(a) Under Title 5 only. A non-exempt employee who is not on an approved CWS schedule and who works over 8 hours in a day but not over 40 hours in a week under ordered and approved overtime is entitled to overtime pay under Title 5 only.

(b) Under FLSA only. If an employee who is not on CWS works in excess of 40 hours in a workweek and the work was "suffered and permitted" to be performed, rather than ordered, the employee is entitled to overtime pay solely under FLSA. This means that if an employee stays an hour after the end of the workday on Friday and management sees work being performed, the employee is entitled to overtime pay, even if there was nothing urgent to be done. Management should ensure, therefore, that non-exempt employees work extra hours only if the work has been ordered and approved. An employee who is not compensated for work that management "suffered and permitted" to be performed may seek relief from the courts.

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(c) Under both Title 5 and FLSA. If an employee has worked ordered and approved time over 40 hours in a workweek (unless on CWS), the employee is entitled to overtime pay under both statutes. The employee shall be compensated under whichever statute provides the greater overtime pay benefit.

(2) Computation of Overtime Pay

(a) Under Title 5 only. Employees are paid under the same provision as for exempt employees.

(b) Under FLSA only. Under FLSA, employees are paid for overtime work at the rate of one and one-half times the "regular" rate of pay (all includable payments for all hours of actual work, divided by the total hours of actual work). There is no maximum amount that can be earned under FLSA.

(c) Under both Title 5 and FLSA. A comparison of (1) and (2) is made. The general, non-exempt employees will benefit from payment under Title 5.

(3) Use of Compensatory Time Off

(a) Under Title 5 only. If a non-exempt employee earns overtime pay entitlement solely under Title 5, the provisions of paragraph 304.5c(2)(a) for exempt employees apply.

(b) Under FLSA only. If a non-exempt employee earns overtime under FLSA only, no compensatory time off may be given; the employee must be paid for all additional time worked.

(c) Under both Title 5 and FLSA. If an employee has entitlement under both Title 5 and FLSA, he or she may take compensatory time off within the same workweek in which the additional time was performed. If compensatory time is not taken within the same week, the employee must indicate on the time card whether overtime pay or compensatory time off is desired. An employee will not be able to take compensatory time if entitlement is computed to be greater under Title 5; otherwise the employee must be paid for the additional time, regardless of the election on the time card.

304.6 Pay for Hours Worked in a Travel Status. An employee may receive pay for hours worked while traveling at the official duty station or away from the official duty station. For purposes of

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this article, "official duty station" can generally be defined as the District of Columbia and adjoining Maryland and Virginia jurisdictions. Pay for hours worked may be made under Title 5 and the FLSA, as appropriate. Detailed information on eligibility for pay for hours worked in a travel status is available from S/HHRO.

304.7 Holiday Pay. An employee required to work on a holiday receives holiday pay for the first 8 hours worked. This pay is equal to the rate of basic pay plus premium pay at a rate equal to the rate of basic pay. An employee is entitled to pay for overtime work on a holiday at the same rate as overtime on other days.